

INFORMATION CONCERNING ELECTIVE COVERAGE OF DISABILITY  
INSURANCE ONLY UNDER SECTION 709  
OF THE CALIFORNIA UNEMPLOYMENT INSURANCE (CUIC)  
(916) 464-2500

Coverage under Section 709 of the CUIC does not make provision for unemployment insurance benefits.

1. SUMMARY OF SECTION 709 OF THE CUIC

Section 709 of the CUIC provides that any local public entity located in this State specified in Section 135 (a) (3) or Indian tribe specified in Section 135 (a) (6), may elect to become an employer for state disability insurance purposes only, with respect to all its employees, including those with civil service or tenure positions, or appointed positions and may file its written election with the Director. Elected officials and individuals appointed to fill a vacant elected office until the next election are not eligible for coverage.

Section 135 (a) (3) states that "public entity" also means the governing board of any school district, any county board of education, any county superintendent of schools, or any personnel commission of a school district which has a merit system pursuant to any provision of the Education Code.

2. ELECTION FOR COVERAGE UNDER SECTION 709

An election under Section 709 may be made on its own motion by the appropriate governing board of the entity making the election, or may be made by such governing board pursuant to a petition signed by a majority of the employees (including those with civil service or tenure positions, or appointive positions). Coverage must be elected for at least two complete calendar years. The Director may require from each entity any information or reports necessary to carry out his duties, and may publish information pursuant to this Section in statistical form and may divulge the name of the entity. Each entity must keep work records as prescribed by the Director.

3. EXTENT OF COVERAGE

Coverage may be approved for all present and future employees of the public entity. All employees are to be covered (no secondary exemptions apply - Sections 629 through 655 of the CUIC) even though they may not mandatorily be covered by Unemployment Insurance.

Persons who are not considered to be employees eligible for the coverage under Section 709 of the CUIC are those elected to office of the public entity by popular vote or appointed to fill a vacant elected office until the next election.

#### 4. ELECTION OF COVERAGE

An application for elective coverage is filed by a public entity or Indian tribe on form DE 1378M, which is furnished by this Department. The electing entity agrees to remain a covered employer for not less than two complete calendar years. Coverage may be terminated at the end of the two-calendar-year period or at the end of any calendar year thereafter by giving the Department written notification by January 31 of the succeeding year.

#### 5. CONTRIBUTIONS REQUIRED UPON APPROVAL OF AN ELECTION

Employee contributions for disability insurance are required at the rate established for each year up to the annual taxable wage limit. On or before October 31 of each year, the Department will notify all employers of the adjusted rate for the following year.

Employee contributions are used exclusively to finance the state disability insurance program. Deductions for employee contributions should be made at the time wages are paid.

#### 6. QUARTERLY REPORTS REQUIRED

Wages are reported on the Quarterly Wage and Withholding Report (DE 6) that is mailed by the Department in advance of the quarterly due date. Contributions are sent with a Payroll Tax Deposit (DE 88) coupon. Instructions for completion of the report and paying the employee contributions for disability insurance are printed on the forms.

#### 7. POSTING OF NOTICES TO EMPLOYEES

Every employing unit shall post and maintain the printed notice (DE 1375C, Notice To Employees Elective Coverage Application For State Disability Insurance) of such election or application on the premises. Individual employees shall be given two reasonable opportunities to file objection or to be heard in the matter prior to the Director's approval of election.

#### 8. BENEFIT ELIGIBILITY

**NOTE:** Eligibility for state disability insurance benefits under the CUIC does not begin with the commencement date of coverage. Generally a minimum of seven (7) months must elapse from the commencement date of coverage before a valid claim may be filed based solely on wages reportable under your election.

Eligibility for disability insurance benefits is determined by the Employment Development Department pursuant to requirements of the CUIC and authorized regulations. Eligibility is dependent on a number of factors including, but not limited to, the following:

- (a) Proof of the claimant's eligibility.
- (b) Filing of a timely claim for benefits.
- (c) Sufficient wages in the base period.

For additional benefit information and an explanation of base period "wages," see the pamphlet, State Disability Insurance Provisions, (DE 2515).